

Medicaid is a ticking time bomb for Mississippi taxpayers.

More than 20 years ago the Mississippi Legislature wisely recognized that runaway Medicaid spending could cause a large deficit in the state budget, which would violate both state law and the state constitution. The Legislature authorized and later mandated that the Governor make such reductions in Medicaid spending as necessary to balance the Medicaid budget.

Now, at the demand of the Mississippi Hospital Association, leadership of the House of Representatives has insisted on gutting this very important law. The purpose of the law is to protect the taxpayers, but the proposal being offered to the Legislature and Governor by Medicaid negotiators puts the taxpayer at unconstitutional and unacceptable risk of runaway deficits in Medicaid.

Here's the law, Miss. Code Ann. § 43-13-117:

"... The executive director shall keep the Governor advised on a timely basis of the funds available for expenditure and the projected expenditures. If current or projected expenditures of the division are reasonably anticipated to exceed the amount of funds appropriated to the division for any fiscal year, the Governor, after consultation with the executive director, shall discontinue any or all of the payment of the types of care and services as provided in this section that are deemed to be optional services under Title XIX of the federal Social Security Act, as amended, and when necessary, shall institute any other cost containment measures on any program or programs authorized under the article to the extent allowed under the federal law governing that program or programs. However, the Governor shall not be authorized to discontinue or eliminate any service under this section that is mandatory under federal law, or to discontinue or eliminate, or adjust income limits or resource limits for, any eligibility category or group under Section 43-13-115. It is the intent of the Legislature that the expenditures of the division during any fiscal year shall not exceed the amounts appropriated to the division for that fiscal year ..."

When there is a deficit in Medicaid, the Governor has no choice but to cut spending in the program. This law, again, originally passed in 1988 giving the Governor the authority to make cuts, and has since been strengthened to require him to make cuts.

If a deficit is left in Medicaid – either in FY 2009 or FY 2010 – then the Governor must make cuts to keep the Medicaid budget balanced. The

House leadership and Mississippi Hospital Association want the Governor to ignore his statutory duty to keep Medicaid spending in check and allow the hospitals to be immune from cuts. Giving Medicaid a blank check would expose Mississippi taxpayers to a ticking time bomb. Governor Barbour is not willing to do this.